Ms. Marlene Dortch, Secretary Federal Communications Commission 445 12<sup>th</sup> St SW Washington, DC 20554

Re: GN Docket No. 09-51: A National Broadband Plan for Our Future

WC Docket 05-25: Special Access Rates for Price Cap Local Exchange Carriers

GN Docket No. 09-137: Advanced Telecommunications Deployment

WC Docket No. 10-90: Connect America Fund

WC Docket No. 07-135: Establishing Just and Reasonable Rates for Local Exchange Carriers

WC Docket No. 05-337: High-Cost Universal Service Support

WC Docket No. 03-109: Lifeline and Link-Up

## Ms. Dortch:

This letter is to advise you that I spoke by telephone on Tuesday, May 17, 2011 with Zachary Katz of the Chairman's office to discuss issues related to the abovementioned dockets.

I first voiced concerns that the Commission had not yet taken action on excessive special access charges by ILECs. I noted that the Commission's failure to act had impacted ISPs – especially competitive ISPs and WISPs – and their customers by making it difficult to provide reasonably priced bandwidth for increasingly bandwidth-hungry applications such as streaming video. I noted that the unreasonable cost of special access lines was draining ISPs of the capital they required to build out broadband into unserved and underserved areas. Finally, I noted that, should the Commission act on the USF/CAF before resolving the issue of special access, the ILECs' excessive charges for special access lines would distort any competitive bidding process by forcing their competitors to quote higher charges themselves. This, in turn, would forestall competition and prevent ratepayers from getting the most and best service for their USF/CAF funds.

I also expressed concerns regarding the Commission's NPRM of 9 February 2011 regarding the Connect America Fund. In particular, we noted that despite the high priority placed on competition by the National Broadband Plan, the "winner take all" reverse auctions suggested by the NPRM would disable competition among providers of broadband service – a key goal of the National Broadband Plan – by picking winners and losers. I noted that the "winner take all" auctions proposed in the NPRM would invite ILECs to bid below cost so as to exclude competitive ISPs - including wireless Internet service providers (WISPs) - even though WISPs are demonstrably the most cost-effective providers for many unserved and underserved rural areas. I noted the parallels between this problem and the problems already experienced in spectrum auctions, where the foreclosure value of spectrum was greater than its utility value.

I proposed that the Commission instead adopt a consumer-based, rather than carrier-based approach, furnishing customers with limited access to broadband with vouchers which they could offer to any provider of broadband service. I further proposed that these vouchers increase in value over time if they were not accepted immediately by providers, so that if voucher recipients could not initially entice carriers to serve them they could make it increasingly attractive to do so as time passed.

I closed by noting that in many if not most cases, subsidies such as the CAF would be unnecessary if the Commission simply removed barriers to the operation of economical, competitive carriers such as WISPs. I pointed out that the currently unserved village of Liberty, Nebraska, which Chairman Genachowski was to visit the following day, was in fact in the planned path of expansion of a wireless ISP which was in the process of acquiring space on grain elevators in the area. I noted that pro-competitive actions by the Commission, including action on special access and making spectrum available to WISPs, might in fact work better than government subsidies to bring broadband to unserved areas.

This letter is being filed electronically via the Commission's Electronic Comment Filing System as per Section 1.1206(b)(2) of the Commission's rules.

Sincerely,

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